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# AGRICULTURAL COOPERATION

August 10, 1929.

Vol. VII, No. 16.

## U. S. GOVERNMENT ENCOURAGES COOPERATION

Arthur M. Hyde, Secretary of Agriculture, speaking before the American Institute of Cooperation in its fifth summer session at Baton Rouge, La., on July 29, outlined the attitude of the Government toward the cause of agricultural cooperation, and told of some of the measures already adopted to aid and encourage the movement, the latest measure being the creation of the Federal Farm Board, with broad powers and large resources.

In concluding his address, the Secretary said: "The objective of cooperative marketing is not swollen cash balances or large surpluses in the cooperative treasury. Cooperation looks beyond these. It demands strong, well-financed, close-knit organizations to achieve its purposes, but its purposes are prosperous farm homes, affording to the members of the farm family an American standard of living, an American education, and an equal opportunity in the race of life.

"In the service of such a cause many men of this audience have enrolled themselves. It is in some respects an adventure on a new frontier. Agriculture is entitled to a position of equality in the economic structure of America. Through its own farm organizations and by its own efforts, agriculture can regain that place and, having gained it, hold it. In that cause agriculture has the sympathy and the aid of the Government of the United States of America."

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION  
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING  
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C.

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## SELLING WALNUTS COOPERATIVELY

Nearly 82 per cent of California's 1928 walnut crop passed through the plants of the California Walnut Growers' Association, Los Angeles. With a state production of 51,500,000 pounds, the growers' association received 42,101,000 pounds, compared with 70,180,000 pounds in 1927 when the crop was the largest ever grown in the state. Of the 1928 walnuts received, the association sold 34,648,872 pounds unshelled for \$8,648,872. The remaining 7,537,000 pounds of culls and "blows" were shelled and sold for \$1,180,500. Total sales for the crop amounted to \$9,830,000, an average of over 25 cents per pound for all varieties, brands and sizes. Sixty-six per cent of the crop was sold under the Diamond brand, 24 per cent under the Emerald brand, and 10 per cent was offgrade.

Figures showing the total state crop, and the quantity received by the association from its first year of operation, are given below:

Season	Total state crop (Pounds)	Association receipts (Pounds)	Per cent of state crop	Gross sales
1912-13	21,894,000	11,366,000	51.9	-----
1913-14	22,378,354	11,582,000	51.8	-----
1914-15	17,778,000	10,093,353	56.8	-----
1915-16	29,634,000	18,193,074	61.4	-----
1916-17	28,680,000	17,559,288	61.2	-----
1917-18	30,246,000	20,087,422	66.4	\$ 4,037,571
1918-19	39,714,520	25,719,810	64.8	-----
1919-20	56,896,000	39,694,448	69.8	-----
1920-21	39,994,000	32,867,634	82.2	-----
1921-22	40,136,000	30,531,852	76.1	-----
1922-23	50,011,400	40,111,800	80.2	9,213,727
1923-24	48,810,020	39,753,760	81.4	9,387,475
1924-25	42,810,740	34,975,100	81.7	9,625,530
1925-26	57,748,640	48,160,170	83.4	11,423,106
1926-27	* 23,480,000	18,834,000	80.2	5,327,474
1927-28	101,922,000	70,190,000	84.0	** 13,809,741
1928-29	51,500,000	42,101,000	81.7	9,830,000

\* Unshelled walnuts. \*\* Opening price value.

The association had disposed of the entire carry-over from the 1927 crop and settled with the growers before opening prices were announced on the 1928 crop, and by the end of November the sales of the first pool of 1928 nuts was so nearly completed that a final settlement was made on December 10. The first pool contained over 97 per cent of all walnuts delivered. More than half of the nuts in the second pool have been sold and growers have received 50 per cent of the gross price.



FRUIT GROWERS HAVE SURPRISINGLY GOOD YEAP<sup>er</sup>

The outcome of the 1928 season of the Colfax Fruit Growers' Association, Colfax, Calif., was characterized by the manager as "one of the most pleasant surprises ever experienced by the association." Early in the season reports from the fruit markets were very discouraging, but about the time the association's fruit began to arrive on the market the conditions improved, the price levels raised as much as \$1,500 and \$2,000 a car, and the association disposed of about 60 per cent of its fruit before prices declined appreciably.

The 1928 crop was of normal size and the association shipped 128 full cars and 13 part loads to eastern markets, the equivalent of 137 cars, or  $46\frac{1}{2}$  per cent of the fruit shipped from the district. The fruit consisted of pears, plums, nectarines, grapes and peaches. Of the total,  $96\frac{3}{4}$  per cent was packed in the association's packing house; the remainder, made up of grapes and peaches, was packed on ranches.

Gross sales for the season totaled \$205,850. Freight and refrigeration charges amounted to \$68,792; commissions, to \$14,409; loading, \$3,333; packing charges, \$33,779; operating withholding, \$3,361; leaving the sum of \$82,168 for the growers.

In addition to the good returns from sales, the association had a successful year in its operation of packing houses. The entire indebtedness on the two packing houses, located at Colfax and Grass Valley, has been paid off and the members now own the two modern plants free of all incumbrances, representing an investment of about \$20,000.

As a result of the year's operations the association was able to make a refund of 3 cents per package from the 5 cents packing house withholding, and the board of directors declared the following refunds:

2 per cent of gross sales, 1922.....	\$3,105
1 " " " " " 1923.....	1,305
3 cents per package, 1928 .....	2,124
$1\frac{1}{2}$ per cent of gross feed sales.....	307
Total .....	<u>\$6,841</u>

In addition to the above, the California Fruit Exchange, San Francisco, which serves as a sales agency for this local association, made a refund of  $3\frac{3}{4}$  per cent of gross sales.

The feed department operated for the first time in 1928. Its business amounted to \$20,467, with net earnings of \$1,951. Besides demonstrating the advisability of buying collectively, the department has made it possible to keep the house open at all times and thus be of more service to the membership.

The association was organized in 1915 and is serving 136 members.

CALAVO GROWERS MAKING GOOD HEADWAY

The Calavo Growers of California, Los Angeles, is gaining in membership and increasing its volume of business. In June it reported 478 members, of whom 125 had joined since October. The quantity of fruit which passed through the association's packing house in May was 129,000 pounds, or 64½ tons, with a prospect of 1,000 tons for the entire season.

The manager has learned, after spending several months with the dealers, that the trade is only interested in a continuous supply of avocados throughout the year, of standardized grades and packs, and the Calavo Growers of California is the only source of such a supply.

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WISCONSIN ASSOCIATION SELLS POTATOES MANY YEARS

Potatoes are the principal farm crop handled by the Iola Farm Produce Company, Iola, Wis. For its twenty-third business year, ending June 30, 1929, the company reported total receipts of \$88,328. Of this, \$20,689 was received for potatoes and \$62,905 for merchandise. Net earnings for the year amounted to \$2,655; outstanding capital stock amounted to \$3,310; and the net worth on July 1, 1929, was \$20,549. Total fixed assets amounted to \$9,086, made up of real estate, \$1,000; buildings, \$6,779; office fixtures, \$374; and equipment and machinery, \$933.

The activities of the association for five of the years are shown in the following figures:

Marketing season	Potato sales	Merchandise sales	Net earnings
1923-24	\$23,647	\$56,226	* \$1,487
1924-25	15,291	49,446	924
1925-26	80,441	45,581	2,525
1927-28	47,974	71,749	4,332
1928-29	20,689	62,905	2,655

\* Loss.

This association was formed in 1906 and in 1923 the membership numbered 180, mostly farmers. On January 1, 1928, the membership was reported as 200.

SELLS HALF OF STATE'S COMMERCIAL POTATO CROP

A report from the West Virginia Potato Growers' Cooperative Association, Clarksburg, states that it has made a very substantial growth since it was organized in 1925, both in membership and volume of business. In 1926 the association marketed 46 cars loads of potatoes; in 1927, 92 car loads; and in 1928, 147 car loads; selling a large percentage of the total within the state, especially in the coal mining sections. The association is handling about 50 per cent of the commercial potato crop of the state. In March of the present year, the association purchased for members over 11,000 bushels of Maine and New York certified seed potatoes. Stock which grades U. S. No. 1 is sold under the "Mountain State" brand.

The membership has increased from 42 to 163.

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SELLING CERTIFIED SEED POTATOES

Many difficulties marked the 1928-29 season for the Michigan Certified Seed Potato Growers' Association, Inc., Cadillac, according to a recent report of this organization. This, the fifth season of operation, was marked by an unusually large acreage of seed potatoes in the United States and Canada and heavy yields. A large crop of table stock and other factors tended to unsettle the markets and make the disposition of the seed crop more difficult. In this critical time the pool of the Michigan Certified Seed Potato Growers' Association, controlling a large part of the total production, was a factor in "maintaining at least a semblance of order in disposing of the crop."

Every means of sales promotion was utilized to increase the outlets for seed at reasonable prices. The advertising campaign was expanded, contacts with buyers were more firmly established by personal calls, and agricultural shows and demonstrations were attended. Sales were made by the sales department of the Michigan Potato Growers' Exchange. In its efforts to find markets the Exchange was careful to abide by the principles of orderly marketing, not only to protect those to whom it had already sold, but also to insure a healthier future market.

The volume of seed handled was as follows:

Russet Rurals.....	170,848	bushels
White Rurals.....	17,361½	"
Irish Cobblers.....	8,652½	"
Green Mountains.....	2,165	"
Seconds.....	3,657½	"



MILK PRODUCERS AND CONSUMERS TO COOPERATE

Calgary milk producers and consumers have devised a plan of co-operation which they will soon put into practice. The special feature of the plan is an advisory board of six members representing equally the producers and the consumers. This committee will be made up of three members of the Calgary and District Milk Producers' Association, Ltd., and three members to be chosen by the consumers. Having access to the records the committee will undertake to determine what price the consumers should pay for milk that the producers may receive adequate compensation.

The Calgary and District Milk Producers' Association is building a new milk plant with modern equipment in the city of Calgary, at a cost of about \$95,000. The Government has aided the project by advancing approximately \$80,000; the milk producers have subscribed more than \$20,000; and a committee representing the consumers has undertaken to sell 3,000 seven per cent, preference shares at \$5 each to Calgary consumers.

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SERIES "CC" CERTIFICATES GO TO DAIRYMEN

Series "CC" certificates and 13th checks for the past year of the Dairymen's League Cooperative Association, Inc., New York City, went into the mails on July 15, two full weeks earlier than in previous years. Deductions to be covered by certificates of indebtedness amounted to \$2,890,432 for the fiscal year ending March 31, 1929. However, the association issues no certificates for less than \$5 but carries sums of less than that amount to the 13th check account and pays them in cash. This year the sum so transferred was \$25,080, leaving a balance of \$2,865,352. In addition, a number of members took advantage of the offer to exchange maturing Series C certificates and this increased the sum by \$14,019, bringing the amount actually issued to \$2,879,371.

The 13th check distribution represented one-half cent per 100 pounds on 2,484,947,002 pounds of milk, amounting to \$124,247, to which was added the \$25,080 transferred, making a total of \$149,327. In accordance with the usual custom the association deducted \$1 from each member's account for subscription to the Dairymen's League News, making a total of \$43,301, and a few other items brought the deductions to \$43,401, and left the net sum of the disbursement \$105,926.

In making this distribution the association sent out 41,241 registered letters and 1,646 first class letters. Registered letters were used for the certificates to assure their delivery to the addressee only, and also to obtain a receipted card. The 1,646 unregistered letters went to members whose deductions amounted to less than \$5 each and were paid in connection with the 13th check.

WISCONSIN CREAMERY SERVES MEMBERS AND PATRONS

The Cochrane Farmers' Cooperative Creamery Company, Cochrane, Wis., has a record of 25 years of service. It was formed in 1904 and has been making butter ever since for both members and nonmembers. It has 84 members and averages about 300 patrons. In the calendar year 1928 the association received 2,413,962 pounds of cream containing 595,844 pounds of butterfat, which yielded 732,798 pounds of butter. Sales of butter and buttermilk brought \$334,675, of which the farmers received \$302,422, an average of 52.16 cents per pound. At the close of the year the sum of \$4,961 was carried to the sinking fund. Available figures for annual sales are as follows: 1913, \$73,125; 1914, \$81,110; 1921, \$200,000; 1924, \$285,503; 1925, \$346,118; 1926, \$317,482; 1927, \$341,983; 1928, \$334,675.

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ASSOCIATION REPORTS A STRENUOUS YEAR

Nineteen twenty-eight was "a very strenuous year" for the California Milk Producers' Association, Los Angeles. Members delivered so large a quantity of milk that the association had to contend with the greatest surplus in its history. More than a year ago the management advised members to have their herds tested and sell the reactors to the butchers, as it soon would be almost impossible to sell milk from reactor cows. Apparently the cows did not go to the butchers as the milk is still coming on the market, together with all the milk from tested cows, thus creating the excessive surplus. To meet this situation the board of directors recently passed a resolution making a differential of 10 cents per pound of butterfat between milk from tested and untested herds.

In the spring, the association purchased and consolidated three creameries at San Bernardino. It also purchased a brewery plant at San Bernardino, remodeled it into a fine creamery plant, and installed powdered milk machinery. This plant is separating 600 cans of milk a day, and the powdered milk finds a ready market in Los Angeles and vicinity.

Late in the year circumstances made it necessary to buy out a big dairy company which had bought its milk from the Producers' Association ever since it was organized in 1915. The California Creamery Company, the affiliated organization which processes and distributes the milk, bought the dairy company for the sum of \$1,550,000, issuing bonds and debentures secured by the combined assets of both companies. This deal, the management hopes will be beneficial in a number of ways.

The value of milk handled in 1928 was \$6,210,483, compared with \$5,875,074 in 1928. The average price paid for butterfat was 85-7/12 cents, and net earnings amounted to \$1,094. For each of the last four years the business has been conducted at a cost of 1.2 per cent.

MILK PRODUCERS MAKE HEAVY DELIVERIES IN JUNE

Members of the Twin City Milk Producers' Association, St. Paul, Minn., produced 5,031,814 more pounds of milk in June, 1929, than in June of last year. As sales were fairly constant every pound of this milk had to be manufactured and sold on outside markets. Production in June was in excess of that of May which is usually the heaviest month.

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CREAMERY HAS LONG RECORD OF STEADY GROWTH

The Garden Valley Cooperative Creamery Company, Waumandee, Wis., has been serving milk producers in that vicinity ever since 1904. The first year it made 159,244 pounds of butter; the second year, 241,569; in 1906, 281,341; in 1907, 331,723; and in steadily increasing quantities until last year the production was in excess of 700,000 pounds. The organization is a stock company and one of the early requirements for membership was that a man should be a dairy farmer, should pay \$25 for five shares of stock, and sell cream to the creamery at least six months in the year. In 1914 there were 83 members; in 1922 there were 141 members and 235 patrons; in 1927 there were 133 members and 240 patrons.

In addition to selling butter and buttermilk the company handles a limited number of supplies for its patrons. Last year it made 141,888 pounds of buttermilk powder.

Figures showing the business for some of the years indicate the steady progress of the association:

Year	Cream received	Butter made	Sales*	Paid patrons for butterfat	Cost of making butter
	(Pounds)	(Pounds)			(Cents per lb.)
1908	1,132,999	291,529	\$ 74,767	\$64,695	1.5
1909	1,314,775	337,803	97,818	85,233	1.59
1912	-----	394,957	112,180	-----	----
1913	-----	465,499	144,043	-----	----
1914	1,763,474	455,114	133,733	-----	1.3
1921	-----	510,100	201,690	176,372	----
1922	-----	544,579	208,155	-----	----
1923	2,222,511	628,250	287,862	255,803	** 2.08
1924	2,326,542	668,763	276,843	244,391	** 1.92
1925	2,413,460	699,520	313,025	279,518	** 1.86
1926	2,263,460	687,529	295,595	262,164	** 1.95
1927	2,235,059	699,414	327,888	288,160	----
1928	2,277,432	701,360	336,480	295,407	----

\*Butter, buttermilk and some supplies.

\*\* Without sinking fund expenses.



OHIO ELEVATOR REPORTS FOR FOUR YEARS

The Anna Farmers' Exchange Company, at Anna, Ohio, reports sales of \$69,568 for the year ending June 30, 1929, as compared with \$87,735 for the previous year. This association markets wheat, rye, oats, and corn, and purchases supplies for its members. Elevator and equipment are valued at \$23,177.

Activities of the association for the past four years are shown by the following figures:

Marketing season	Elevator and equipment	Sales*	Net worth
1925-26	\$25,807	\$ 131,043	\$23,571
1926-27	25,292	138,224	29,896
1927-28	23,741	87,735	27,010
1928-29	23,177	69,568	28,138

\* Including revenue from grinding.

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COLORADO ELEVATOR HANDLES OIL AND GASOLINE

In addition to operating a grain elevator and selling merchandise, the Burlington Equity Exchange, Burlington, Colo., has another department which carries on a machinery, gasoline and oil business under a different management. Sales of the elevator department for the year ending May 31, 1929, totaled \$205,642 with net earnings of \$13,810. The greater part of the business was handling wheat, corn, barley, and other grains, while sales of flour, coal and merchandise helped to swell the income. Sales of implements and oils amounted to \$34,567 with net earnings of \$2,143, making the total earnings for the year \$15,953.

According to the annual report the net earnings of the Burlington Equity Exchange for the past four years have amounted to \$61,724, and for the three years 1926, 1927 and 1928, the Exchange distributed over \$38,000 in dividends. For the year just completed, the auditors recommended that the Exchange distribute the entire cash profits of the elevator business.

The Exchange owns buildings and equipment valued at \$24,751, also pumps, tanks and equipment worth \$3,570. It has capital stock outstanding to the amount of \$36,750, a reserve for contingencies of \$3,000, and a surplus of \$17,071. It was organized in 1915 and has 175 members and 300 patrons. Sales for some of the years have been as follows:

1918 .....	\$ 66,740	1925 .....	\$278,801
1919 .....	410,000	1926 .....	325,046
1921 .....	500,000	1927 .....	295,981
1922 .....	475,000	1928 .....	154,550
1923 .....	481,568	1929 .....	240,208



COOPERATIVE POULTRY MARKETING IN TENNESSEE

Tennessee farmers are marketing eggs and poultry cooperatively in several counties under the leadership of the extension service of the State College of Agriculture. Three counties, Bledsoe, Sequatchie, and Marion, have reported to the U. S. Department of Agriculture the quantities of live poultry marketed in 1928. The total was 222,016 pounds with a sales value of \$46,339. Bledsoe County farmers shipped 85,285 pounds of live poultry during the year, with a sales value of \$17,489; Sequatchie County shipped 51,371 pounds valued at \$12,149; and Marion County, 85,360 pounds with a value of \$16,701. From each of these three counties the largest monthly shipment was made in February. The figures were as follows: 24,441 pounds from Bledsoe County, 14,301 pounds from Sequatchie County, and 24,000 pounds from Marion County. Eggs and dressed poultry were also marketed but the figures are not available.

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A YOUNG AND GROWING EGG COOPERATIVE

A group of poultrymen in Humboldt County, California, united in the spring of 1925 and organized the Poultry Producers of Northern California, with headquarters at Eureka. They were aided and encouraged in organizing by officials of the Poultry Producers of Central California, and they followed the lines of that association very closely in building their own.

The association began business on May 15, 1925, with 62 members owning about 35,000 hens. In the remaining seven and one-half months of the year 7,577 cases of eggs were received; the next year the number rose to 20,333 cases; in 1927 it was 28,109 cases; and in 1928, 32,635 cases.

In the meantime the membership increased from the original 62 to 201, of whom about 175 were active shippers owning nearly 175,000 hens. Sales in 1927 amounted to \$242,840, and in 1928 to \$303,034.

Working capital was obtained by establishing a revolving fund, for which the association issued certificates of indebtedness. Only \$715 was available when the association began operations, but at the close of 1928 this fund amounted to \$27,003, and the association was able to retire certificates amounting to \$2,600, in addition to making deferred payments of about \$19,000.

The management prides itself upon the high quality of the eggs received. All eggs which are not sold in Humboldt County are sold through the Poultry Producers of Central California.

### FARMERS' MARKET IN PHOENIX NEARLY FINISHED

Arizona farmers will soon have a fine and spacious market in Phoenix where they can assemble, grade and market their produce, as the plant of the United Farmers' City Market, Inc., is nearly completed. The building is quadrangular with 55,000 square feet of floor space and an open court in the center. It provides space for wholesale and retail market operations, with parking space for farmers' trucks. It represents an investment of about \$250,000, most of which was furnished by the farmers and growers of the state.

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### INDIANAPOLIS GROWERS HAVE THEIR OWN MARKET

Truck farmers, market gardeners, and greenhouse growers in the vicinity of Indianapolis, Ind., united in 1924 to form the Growers' Finance Corporation and establish their own market place. The corporation now owns a market site, covering practically an entire city block, about three squares from the business section of the city. This site has been improved with concrete driveways, cement walks and rows of stands where producers may sell their produce. Originally there were 291 stands, this year the number was increased by 104, making a total of 395. These stands the company leases to growers on a yearly basis, also making a charge of 50 cents for every day the lessor uses the stand. From the rentals and fees which are the only sources of revenue, the company earned over 6 per cent on share capital in 1928.

The company has 213 shareholders, of whom 201 are farmers. Capital stock issued amounts to \$53,200. The 1928 business totaled about \$1,000,000. The balance sheet for 1928 shows the value of the market site as \$140,979; market place construction, less depreciation, \$45,989; building, less depreciation reserve, \$9,400; office furniture and fixtures, \$163; net worth, \$154,122.

Indianapolis is in the midst of a vegetable-producing section, about 4,500 acres of land being devoted to the industry, with 75 acres under glass. Produce sold on the market amounts to more than a million dollars annually. Buyers of vegetables and produce come from surrounding towns in the state and haul produce to towns in all directions within a radius of 150 miles.

Officials of the organization consider the enterprise of great value to the industry and believe that if similar markets could be established in other cities it would be possible for the vegetable growers to establish rules and regulations which would help to stabilize prices and aid in solving many problems.

SASKATCHEWAN STORE BUYS OUT COMPETITOR

One of Saskatchewan's oldest cooperative stores, the Gull Lake Cooperative Association, Ltd., has increased its business by buying the premises and stock of another general store at Gull Lake. The association was the third organization in Saskatchewan to be incorporated under the old agricultural cooperative associations act. It began business in a small way March 16, 1914, and its first year's sales amounted to \$8,666. In 1928 the sales reached the sum of \$135,658. With the newly acquired property and business the association expects even larger business this year.

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STATISTICS OF BRITAIN'S RETAIL SOCIETIES

Sales of Great Britain's retail distributive societies in 1928 amounted to \$1,032,674,225, according to a report from the American Consulate-General, London. The 1,267 societies connected with the Cooperative Union had a membership of 5,948,925.

The liabilities and assets of the societies in England, Wales, and Scotland, are as follows:

Assets

Investments in shares and loans.....	\$260,153,712
Land and buildings used in trade .....	180,275,867
Land and buildings, not used in trade .....	5,104,477
House property .....	17,169,883
Stock in trade.....	96,695,121
Investments, mortgages, etc. ....	72,045,515
With certain other items to balance	

Liabilities

Share capital.....	\$489,413,379
Loan.....	60,652,980
Savings bank deposits.....	22,330,811
Reserves and insurance funds.....	39,761,106
Sundry funds .....	13,237,951
Share interest and balances .....	44,603,205
Other liabilities .....	22,589,344

Membership, sales and earnings, all increased by about 6 per cent last year, share capital increased nearly 9 per cent, and loan capital over 16 per cent.



GREECE SUPPLIES CREDIT TO AID AGRICULTURE

The status of Agricultural Credits in Greece during 1928 is outlined in a recent consular report from Athens. The National Bank of Greece in 1928 granted loans to Greek cultivators to the amount of 1,345,476,453 drachmas (about \$17,473,733). While this sum was about 17 per cent greater than the total loans for this purpose in 1927, the production of cereals alone in 1928 increased 33 per cent over the figures for 1927.

In the former year 70.7 per cent of the loans were made to cooperative associations and 29.3 per cent to individuals. Last year the distribution of loans was as follows:

	No. of coopera- tives	No. of persons	Amount of loans (Drachmas)*
Native farmers	---	46,185	271,910,906
Refugee farmers	---	24,603	63,780,797
Native cooperative societies	2,327	130,775	750,338,890
Refugee cooperative societies	983	65,891	259,445,860
Total	3,310	267,454	1,345,476,453

\* Par value 19.3 cents.

This increased ratio of loans to cooperatives indicates that the National Bank is encouraging the rural population to form such organizations. Recent figures show that since 1926 agricultural associations of this kind have increased 21 per cent, from 4,060 societies to 4,927. As a further measure of encouragement, the Government is granting the cooperatives exemption from duty on farm implements and machinery not manufactured in Greece. The leading agricultural industries for which the National Bank has made loans are: tobacco, dried raisins, grapes, cereals, oleo culture, stock raising, cotton.

The report comments on the prompt refunding of loans. By the end of March, 1929, all the money loaned during 1928 had been repaid except about 2.39 per cent, and this small percentage was largely due to crop destruction.

Plans are now under way to establish an agricultural bank to take over the entire business of agricultural credits which the National Bank of Greece has carried for 15 years. This bank is to cooperate with the State in an extensive program for reorganizing the country's agriculture. It is to have at its disposal a sum of 1,600,000,000 drachmas available for granting loans at an interest rate of from 7 to 9 per cent. Probably 1929 will be the last year in which the National Bank of Greece will handle the agricultural credit business.



RESERVES MAY BE USED FOR ANY PROPER PURPOSE

On May 28, 1929, the Court of Appeals of Kentucky decided the case of the Burley Tobacco Growers Cooperative Association, v. Brown, 17 S. W. (2d) 1002. This case involved the right of the association to enter into an arbitration agreement with subsidiary warehouse corporations for the purpose of determining the liability of one to the other. It also involved the question of whether the association could continue to use money which had been deducted for "creating funds for credits and other general commercial purposes (said funds not to exceed one per cent of the gross resale prices)." The language just quoted was a part of the standard marketing contract employed by the association. As indicated, in order to adjust the differences existing between the association and its subsidiaries, the arbitration agreement was entered into, and following hearings the arbitrator made his findings. The Appellate Court said:

The arbitrator found that the claims against the association for failure to give adequate credit; for depreciation; for storage of tobacco; for losses of equipment; and for failure to allow a profitable use of the properties; were valid obligations, and the amount of the allowance exceeded the indebtedness of the corporation to the association by \$19,000. This award of the arbitrator was approved and accepted by the association and also by the Northern District Warehousing Corporation. The purpose of the arbitration was to fully adjust and settle all financial liabilities of the one to the other.

Following the rendition of the report of the arbitrator, Brown, a stockholder in the Northern District Warehousing Corporation, and a member of the association, brought suit to enjoin the association from carrying out the arbitration agreement, and the lower court enjoined the association from doing so, and the association then appealed. The court emphasized the fact that there was no claim of fraud, and held that the association was authorized to enter into the arbitration agreement and that the arbitration proceedings were in all respects legal. With reference to the right of the association to use the one per cent fund referred to above, the court said:

We see no reason why the one per cent fund, under the authority conferred by the contract, may not be used to settle an indebtedness arising out of a violation of that contract. If the one per cent fund is used by the association within the terms of the contract - that is for 'credits,' or 'general commercial purposes' - no legal objection can be made by any one to its use. The term 'general commercial purposes' is broad, and it is broad enough to embrace any purpose in furtherance of the commercial activities of the association, and the commercial activities of the association will be furthered by its paying an indebtedness which it admits that it owes.

The association is not a corporation for profit, and whatever is left of the one per cent fund, after the association has used it for the purposes mentioned in the contracts, will be distributed among the members of the Burley Tobacco Association and such as may have an interest in the particular fund. But this does not mean that the board of directors, in the exercise of a sound judgment, may not use the fund as provided in the contract as long as the use may be necessary. It may be that it would be improper to call the fund a general corporate asset, and it may be that it would be improper to call it a trust fund, but it is a corporate asset which may be used for the specific purposes mentioned in the contract, and it partakes of the nature of a trust fund in that any balance unexpended for the purposes mentioned in the contract will be distributed at some time either when the association so directs, or when its existence is at an end.

(See Burley Tobacco Growers Cooperative Association v. Robert E. Tipton et al., 227 Ky. 297, 11 S. W. (2d) 119, discussed in the issue of "Agricultural Cooperation" of February 9, 1929.)

L. S. Hulbert.

### A NEW HOUSE ORGAN APPEARS

One of the latest additions to the list of periodicals issued by farmers' cooperative associations is the California Grower, the official publication of the Associated California Fruit Industries, Inc., and the California Vineyardists' Association. The magazine is published at San Francisco. Vol. I, No. 1, dated July, 1929, is an issue of 32 pages with the covers printed in color.

An editorial greeting states that the California Grower will take the place of the C. V. A. -- Fruit News and the California Grape Grower. "Its scope will cover those general and technical subjects which are of common interest to all phases of public life interested in the development of the production and distribution of grapes and deciduous tree fruits. Special consideration will be given to the new order of things made possible by the enactment of Federal Farm Relief."

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### BULLETIN TELLS OF WOOL MARKETING IN OTHER LANDS

Technical Bulletin No. 124 of the U. S. Department of Agriculture, bears the somewhat lengthy title, "Some Factors Affecting the Marketing of Wool in Australia, New Zealand, the Union of South Africa, England, and France." The study was undertaken in 1927-28 by the Division of Cooperative Marketing as a part of its program of research in the cooperative marketing of wool, and at the request of a number of leading cooperative associations. J. F. Walker, Secretary of the Ohio Wool Growers' Association, was employed as Consulting Specialist of the Division to make the study and prepare the report. In each of the countries named Mr. Walker, as representative of the U. S. Department of Agriculture, studied the methods of flock management for the purpose of wool production, the preparation of the clip for market, and the marketing practices employed, giving special attention to the shearing of fleeces, the manner in which they were handled, graded and stored, and the system of centralizing for shipment to large markets. He obtained data from Government agencies, from cooperative marketing organizations, from wool brokerage companies, from breeders, and other leaders in the wool industry, with a view to collecting information which would be helpful in improving the marketing of wool in the United States. The bulletin is based on an analysis of the information thus assembled. It covers a description and discussion of the conditions in each of the countries, followed by a brief summary.



WALNUT GROWERS BUILD NEW SHELLING PLANT

A new plant for shelling walnuts is now under construction for the use of the California Walnut Growers' Association, Los Angeles. This plant will double the shelling capacity of the association and enable it to handle growers' crops to better advantage. A railroad company is erecting the building which the association will equip with the aid of its reserve funds and will operate on a five-year lease.

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COMPANY HAS SOLD GASOLINE FIVE YEARS

Sales of gasoline, kerosene, oils and grease, brought the Peoples Cooperative Oil Company, Jackson, Minn., an income of \$167,916, during the fiscal year ending April 30, 1929. Net earnings amounted to \$8,158, of which \$3,363 was charged to depreciation, \$2,488 went for interest on capital stock, \$1,827 was distributed as a patronage dividend, and \$479 was carried to the reserves. The company was organized in 1924 with an authorized capital of \$50,000 in \$25 shares, of which \$31,100 is now outstanding. The surplus fund amounts to \$16,070. Sales in the 1925-26 season totaled \$154,539; in 1926-27, \$175,228; and in 1927-28, \$151,438. The service and bulk stations, trucks and equipment have a depreciated value of \$39,457. Of 800 members in 1927, about 700 were farmers.

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ONE YEAR'S BUSINESS OF SASKATCHEWAN'S COOPERATIVES

Saskatchewan's large-scale cooperative associations transacted business last year to the amount of \$176,640,000, according to figures collected from the associations by the Commissioner of Cooperation and Markets of the province. The detailed figures are as follows:

Saskatchewan Wheat Producers, Ltd. ....	\$160,000,000
Saskatchewan Cooperative Creameries, Ltd. ....	5,000,000
Saskatchewan Livestock Producers, Ltd. ....	4,918,000
Saskatchewan Co-op Trading Associations ....	3,852,000
Saskatchewan Municipal Hail Association ....	1,856,000
Saskatchewan Poultry Producers, Ltd. ....	553,000
Saskatchewan Registered Seed Growers, Ltd. ....	281,000
Canadian Co-op Wool Growers, Ltd., Sask. Branch.....	180,000
Total .....	\$176,640,000

Reports were collected from 216 associations in the province with a membership of 13,819. Eleven associations marketing livestock shipped 167 cars and received returns of \$240,767. Farm supplies to the value of \$3,621,256 were bought by the 216 associations.



REPORTED BY THE ASSOCIATIONS

The Skagit County Dairymen's Association, Burlington, Wash., is operating a fleet of trucks under its own management. It now has 35 trucks collecting milk daily from the producers and delivering it at the plants of the association.

In the first six months of 1929 the Central Cooperative Association, St. Paul, Minn., handled 8,451 cars of livestock out of a total of 26,321 cars received on the market. This was 32.11 per cent of the total compared with 30.8 per cent in the corresponding period of 1928, and 31.6 per cent in 1927.

The Cooperative Union of Canada opened its annual congress in the Parliament buildings, Winnipeg, on July 9, with representatives present from the English Cooperative Wholesale Society and the Scottish Cooperative Wholesale Society, besides delegates from all parts of Canada. The Canadian Wheat Pool and the United Grain Growers, Ltd., entertained the delegates at dinner in the evening.

Two cooperative wholesale associations in Finland sell more grain than any other two concerns in that country. This grain, which goes to hundreds of retail cooperative associations throughout the country, is largely imported, according to a recent report from the American Consul at Helsingfors. The consul further states that Finland spends more money for importations of cereals and grain than for any other line of imports and a large percentage of the total comes from America.

A number of Indiana counties are to have cooperative marketing schools beginning September 30, and continuing eight weeks with one session a week at each point. The Indiana Farm Bureau Federation is planning the enterprise. Two representatives of that organization, who conducted very successful schools during the past winter and spring, have been inspecting some of the large, successful cooperatives of the country and studying their organization and methods in order to make their teaching more efficient.

A new line of service is now available to local Equity exchanges. The Equity Cooperative Auditing Association, Aberdeen, S. Dak., is introducing a reporting system for country elevators, which relieves the manager of the elevator of all bookkeeping duties and furnishes the board of directors with regular reports of the progress of their business. This plan will enable the local associations to standardize their forms and records, which, in turn, will help the auditors to check up the business more efficiently.

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- Hyde, Arthur M. "Organization" -- the Answer. Illinois Agricultural Association Record, Mount Morris, Ill., July, 1929, p. 1.
- Lee, V. P. Development of Direct Sales by Cooperative Associations to Chain Stores. Cooperative Marketing Journal, Memphis, Tenn., July, 1929, p. 96.
- Legge, Alexander. What Will the Farm Board Try to Do? (Excerpt from an address in 1923) Oregon Farmer, Portland, Oreg., July 11, 1929, p. 5.
- Priestley, Norman F. Task of Creating Cooperative State Challenge to Heroic Endeavor. (Address of Premier Brownlee) The U. F. A., Calgary, Alberta, July 15, 1929, p. 5.
- Relief Will Be For Organized Farmers Only. (Editorial) Progressive Farmer, Mississippi Valley edition, Memphis, Tenn., July 20, 1929, p. 4.
- Waldauer, Abe D. The Story of a Typical Small Milk Cooperative. Cooperative Marketing Journal, Memphis, Tenn., July, 1929, p. 101.
- What is This Cooperative Movement? Nearly Six Million Consumer Members and Their Families Combine: A Trade of £212,000,000 Controlled by Local Societies. Cooperative News, Manchester, England, July 5, 1929, p. 8.